

ANADOLU EFES BEER OPERATIONS

9M2013 Results Conference Call Presentation

Alejandro Jimenez
EFES BEER GROUP PRESIDENT

Onur Çevikel
CFO



This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

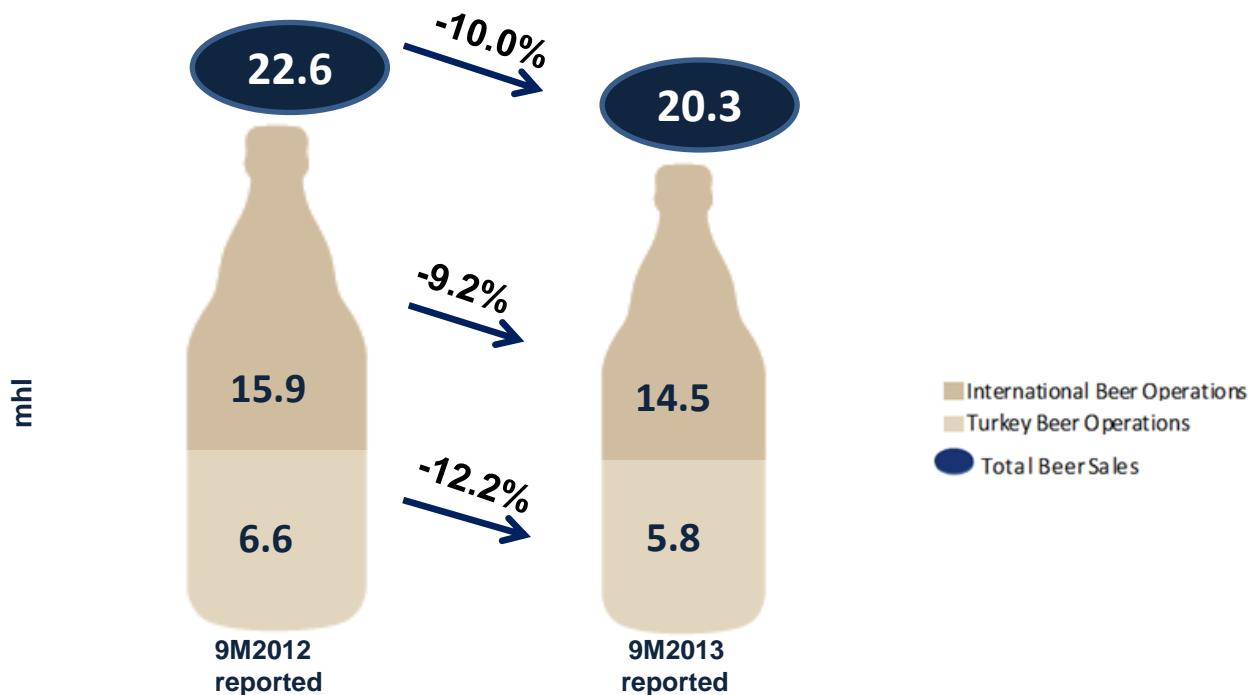
General Overview & Operating Performance

by **Alejandro Jimenez**



Beer Sales Volume Development

Total Beer Volume Development - Reported

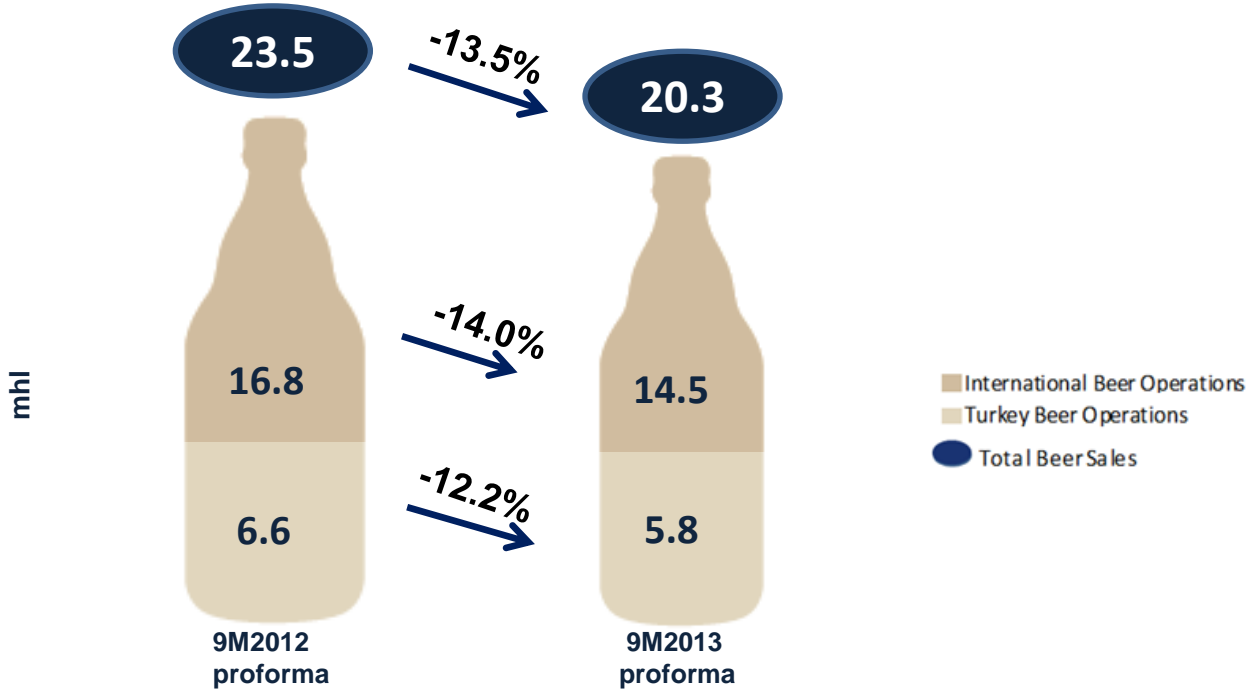


Total reported beer sales volume declined by 7.2% in 3Q2013 vs. 3Q2012, leading to an 10.0% fall in 9M2013 vs. 9M2012;

- Turkey beer> down by 12.2% y-o-y to 5.8mhl in 9M2013
- International beer> down by 9.2% y-o-y to 14.5mhl in 9M2013

Beer Sales Volume Development

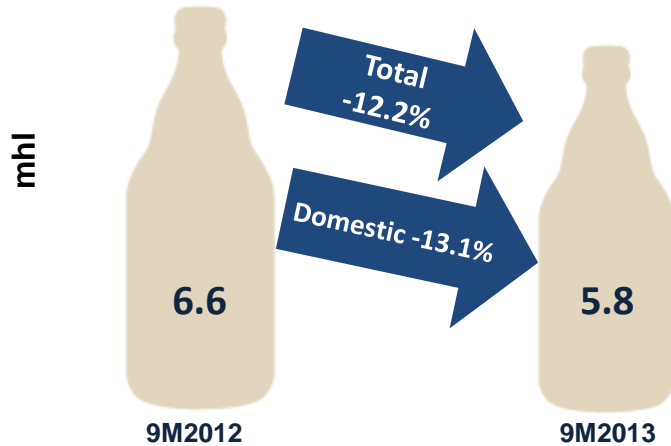
Total Beer Volume Development - Proforma



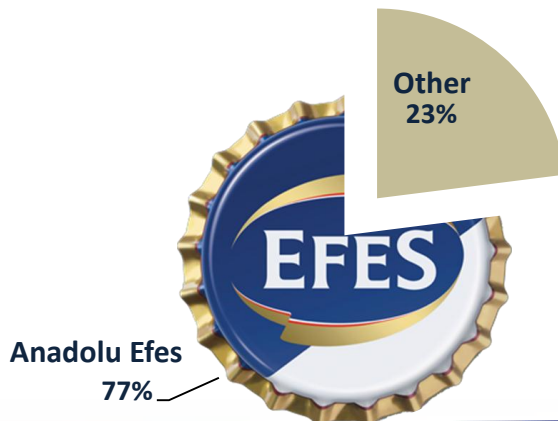
Turkey beer> down by 12.2% y-o-y to 5.8mhl in 9M2013
 International beer> down organically by 14.0% y-o-y to 14.5mhl in 9M2013

TURKEY BEER OPERATIONS

Volume Development



Market Share by Volume-9M2013



Nielsen, YTD September 2013

Volume decline was milder in 3Q2013 due to continuously increasing contribution of new launches and successful trade executions, as well as the low base of 3Q2012. However,

- negative impact of night ban
- higher prices
- competition

continued to create pressure on sales performance in 3Q2013...

Innovations in 2013



Improved brand equity of «Efes Pilsen» through a successful relaunch in October...



«Extra Cold Campaign» made a positive contribution on «Efes Pilsen» by increasing brand equity and leveraging market share with the positive impact of trade execution...



Execution of targetted activations on and off-trade supported the growth of 100% malt brands:

«Bomonti» and «Efes Malt»

INTERNATIONAL BEER OPERATIONS

Volume Development-Reported



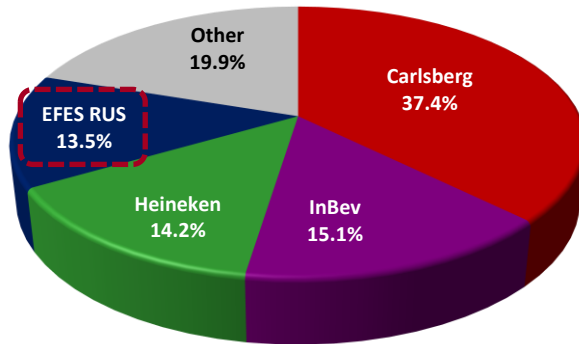
- Lower volumes mainly driven by softer volumes in Russia, while the y-o-y decline in sales volumes was milder in 3Q2013. This was contributed by the low base of 3Q2012 and resumed shipments to key accounts in Russia. However;

- Higher price level
- Tightened regulatory environment
- Availability related issues mostly in key accounts early this year
- Growing share of modern trade in total industrial volumes

continued to be the reasons behind the softness in volumes since the beginning of the year...

Market Share Development in Russia

Market Share by Volume* – Russia



- According to Nielsen, EFES RUS' market share* declined to 13.5% in 9M2013 compared to 16.1% in 9M2012

**Shares of Carlsberg and INBEV include Ukrainian brands

***Numbers may not add up to 100 due to rounding.

- According to Nielsen, beer market sales volumes in Urban Russia* decreased by;

- 11.4% in 1Q2013 versus 1Q2012
- 11.2% in 2Q2013 versus 2Q2012
- 11.6% in 3Q2013 versus 3Q2012

11.4% in
9M2013
versus
9M2012



Led by:

- ✓ Regulatory issues
- ✓ Pricing environment
- ✓ Lower than expected economic growth since the beginning of the year

*Nielsen, National Urban Russia (over 10 th. inhab) Retail YTD September 2013

Financial Overview

by Onur Çevikel

The bottom of the slide features a decorative graphic consisting of several overlapping, wavy lines in shades of blue and gold, creating a sense of movement and depth.

TURKEY

Operational Snapshot-9M2013 Performance

	9M2012	9M2013	Growth (%)
Total Sales Volume (mhl)	6.6	5.8	-12.2%
Net Sales (million TRL)	1,227.7	1,231.5	0.3%
Gross Profit (million TRL)	855.9	871.8	1.9%
Gross Profit margin (%)	69.7%	70.8%	107 bps
EBITDA (million TRL)	432.1	396.0	-8.4%
EBITDA margin (%)	35.2%	32.2%	-304 bps

TURKEY BEER OPERATIONS

Free Cash Flow

(m TRL)

	9M2012	9M2013
Operating Profit	353.0	390.8
Depreciation & Amortization	66.7	75.8
Other non-cash items	12.4	-70.5
EBITDA	432.1	396.0
<i>Change in Inventory</i>	-8.7	10.6
<i>Change in Trade Receivables</i>	-253.5	-259.2
<i>Change in Trade Payables</i>	14.4	12.3
<i>Change in Other Assets/Liabilities</i>	7.2	-60.3
Change in Working Capital	-240.5	-296.6
Income Taxes & Employee Benefits Paid	-70.1	-33.7
CAPEX, net	-83.9	-116.3
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-278.0	-154.7
Net Financial Income	19.6	19.5
FCF	-220.7	-185.8
FCF excluding minority buy-out and other investing activities	57.3	-31.1

EFES BREWERIES INTERNATIONAL

Operational Snapshot-9M2013 Performance

	9M2012 (Reported)	9M2013 (Reported)	Growth (%)
Total Sales Volume (mhl)	15.9	14.5	-9.2%
Net Sales (million USD)	1,200.6	1,037.1	-13.6%
Gross Profit (million USD)	559.3	420.8	-24.8%
Gross Profit margin (%)	46.6%	40.6%	-601 bps
EBITDA BNRI (million USD)	215.1	128.0	-40.5%
EBITDA BNRI margin (%)	17.9%	12.3%	-557 bps

	9M2012 (Proforma)	9M2013 (Proforma)	Organic Growth (%)
Total Sales Volume (mhl)	16.8	14.5	-14.0%
Net Sales (million USD)	1,279.8	1,037.1	-19.0%
Gross Profit (million USD)	597.5	420.8	-29.6%
Gross Profit margin (%)	46.7%	40.6%	-612 bps
EBITDA BNRI (million USD)	235.3	128.0	-45.6%
EBITDA BNRI margin (%)	18.4%	12.3%	-604 bps

EFES BREWERIES INTERNATIONAL

Free Cash Flow

(m USD)

<i>Reported</i>		9M2012	9M2013
Operating Profit		103.6	2.0
	Depreciation & Amortization	108.3	120.6
	Other non-cash items	-1.9	3.4
EBITDA		210.0	126.0
	<i>Change in Inventory</i>	9.6	12.9
	<i>Change in Trade Receivables</i>	12.7	16.8
	<i>Change in Trade Payables</i>	73.0	23.8
	<i>Change in Other Assets/Liabilities</i>	-3.9	-12.9
Change in Working Capital		91.4	40.6
Income Taxes & Employee Benefits Paid		-23.2	-27.0
CAPEX, net		-89.0	-117.1
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)		-41.4	-165.5
Net Financial Income		-3.7	-6.4
FCF		144.0	-149.3
FCF excluding minority buy-out and other investing activities		185.4	16.2

Net Financial Debt & Financing

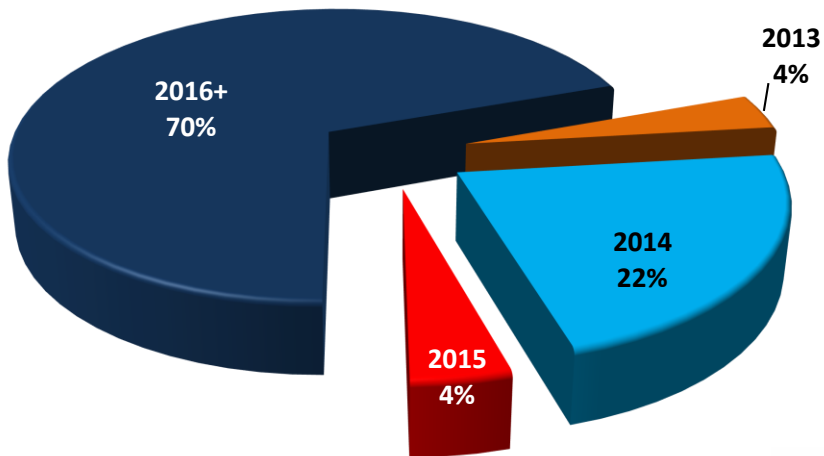
Turkey Beer Operations

- Consolidated gross debt at 1,439.5 m TRL
- Cash & cash equivalents at 175.9 m TRL - Net debt position of 1,263.6 m TRL

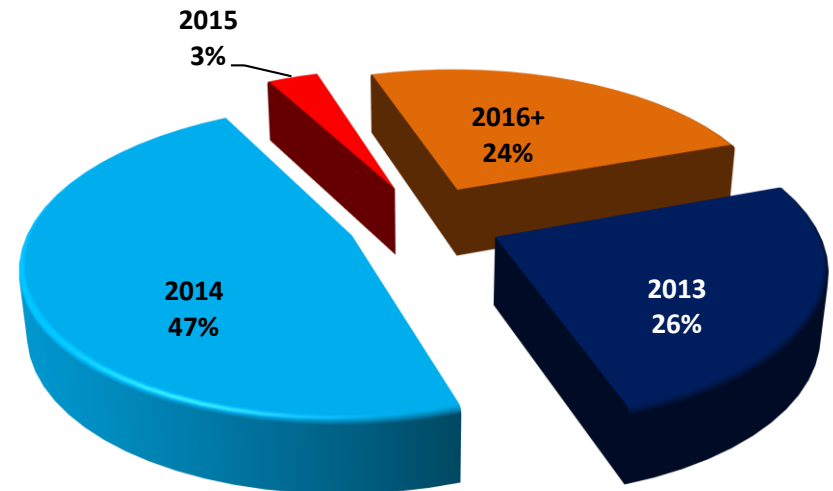
Efes Breweries International

- Consolidated gross debt at US\$ 177.0 m
- Cash & cash equivalents at US\$ 110.8 m - Net debt position at US\$ 66.2 m

Turkey Beer - Debt Maturity Breakdown



EBI - Debt Maturity Breakdown



Numbers may not add up to 100 due to rounding

CLOSING REMARKS

by **Alejandro Jimenez**



TURKEY BEER OPERATIONS' FY2013 OUTLOOK

- We expect Turkish beer market to decline at a rate of high-single digit, reflecting the expected impact of the changes in the regulatory environment as well as the developments in Turkey starting from late-May and higher prices.
 - Our beer sales in Turkey is expected to decline at a rate of low-double digit.
- Sales revenues are expected to decline slightly, contributed by higher sales prices.
- Price increases are expected to cover the negative impact of the higher input prices, i.e. barley prices. Gross profitability is expected to decline slightly in absolute terms with almost flattish margin.
- The ratio of operating expenses to net sales is expected to remain high due mainly to the continued investments in on and off trade. Consequently, EBITDA is expected to be lower in absolute terms with lower EBITDA margin at high twenties.

INTERNATIONAL BEER OPERATIONS'

FY2013 OUTLOOK

- Russian beer market is expected to decline at a rate of low-double digits in 2013, mainly due to the negative impact of the regulatory changes, pricing environment and deceleration in economic growth.
- Low-to-mid single digit decline in volumes forecasted for other CIS countries.
- On a reported basis, our sales volumes are expected to decline at a rate of mid-to-high single digit.
 - On an operating proforma basis, our sales volumes are expected to decline at a rate of low-double digits.
- On a reported basis, sales revenues are expected to decline at a rate of low-teens.
 - On an operating proforma basis, sales revenues are expected to decline at a rate of high-teens due to phased reflection of higher excise taxes into prices as well as the change in channel mix.
- On a reported basis, gross profit is expected to decline in absolute terms with around 6pps lower gross margin.
 - On an operating proforma basis, gross profit is expected to be lower in absolute terms with around 7pps lower gross margin.
- On a reported basis, EBITDA (BNRI) is expected to be lower in absolute terms, with ca. 5pps lower EBITDA (BNRI) margin.
 - On an operating proforma basis, EBITDA (BNRI) is expected to decline in absolute terms, leading to more than 5pps lower margin.
- For 2013, the expected cost synergies are estimated to be around USD70 million.

? QUESTIONS PLEASE ?

